

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Western Massachusetts Electric Company ) D. T. E. 00-33

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ATTORNEY GENERAL'S FIFTH SET OF

DOCUMENT AND INFORMATION REQUESTS

AG 5-1 Referring to Stack rebuttal testimony page 3, lines 12-16, is Mr. Stack aware of any cases where the IRS actually recovered a financial penalty, in the form of a tax deficiency or investment tax credit recapture, because of a normalization violation similar to that described? If the response is affirmative, please provide citations and, if available, documentation.

AG 5-2 Referring to Stack rebuttal testimony page 3, lines 12-16, is Mr. Stack aware of any cases where the IRS assessed, or otherwise attempted to recover, a financial penalty, in the form of a tax deficiency or investment tax credit recapture, because of a claimed normalization violation similar to that described? If the response is affirmative, please provide citations and, if available, documentation.

AG 5-3 Referring to Stack rebuttal testimony page 3, lines 12-16, is Mr. Stack aware of any cases where the IRS assessed, or otherwise attempted to recover, a financial penalty, in the form of a tax deficiency or investment tax credit recapture, because of any claimed normalization violation? If the response is affirmative, please provide citations and, if available, documentation.

AG 5-4 Referring to Stack rebuttal testimony, page 3, lines 14-15, please describe the financial penalties for a violation of the sort described by Mr. Stack. The

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response should also provide a quantification of what such penalties would be in this case for the violation asserted by Mr. Stack, with supporting calculations and an explanation of assumptions employed in the quantification.

AG 5-5 Referring to Stack rebuttal testimony, page 4, lines 14-16, please provide a list of all Private Letter Rulings addressing the treatment of investment tax credits on divested property reviewed by Mr. Stack. To the extent not already provided, please provide copies of these Private Letter Rulings.

AG 5-6 Referring to Stack rebuttal testimony, page 5, line 10, please provide the basis for Mr. Stack's conclusion that the opinion expressed in the referenced Private Letter Ruling is the official position of IRS, as opposed to the that of the author of the Private Letter Ruling.

AG 5-7 Is it Mr. Stack's position that the IRS is bound by opinions expressed in Private Letter Rulings? If the response is affirmative, please state the basis for this position.

AG 5-8 Referring to Stack rebuttal testimony, page 5, lines 15-16, please provide the basis for the statement that a PLR obviously provides a very good indication of how the IRS would rule on any similar matter.

AG 5-9 Please provide Stack testimony filed in Docket No. 99-09-12 before the Connecticut Department of Public Utility Control.

AG 5-10 Please provide a complete description of Mr. Baumann's professional training and experience. The response should include Mr. Baumann's educational background, degrees, any professional certification or licenses, and employment history including positions held.

AG 5-11 Referring to Baumann rebuttal testimony, page 4, lines 18-22, please provide the cost of the intangible transmission asset sold to CEEMI. The response should provide supporting documentation, if any, for the stated cost.

AG 5-12 Referring to Baumann rebuttal testimony, page 9, lines 8-15, please provide the complete study performed by Hewitt Associates referred to by Mr. Baumann.

AG 5-13 Referring to Baumann rebuttal testimony, page 10, lines 19-20, please provide documentation supporting the 1,338 individuals in the pension plan. The

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response should show the active employees, retired employees and terminated-vested employees. If available, the response should also show the number of employees in each of these categories that are, or were, in the generation function.

AG 5-14 Referring to Baumann rebuttal testimony, page 10, lines 20-21, please reconcile the 526 active employees to the total employees of 502.8 shown in the response to AG-1-25, Page 2.

AG 5-15 Does Mr. Baumann have any reason to believe that the proportion of retired employees and terminated-vested employees that had been associated with the generation function at the time of employment is different from the proportion of active employees associated with the generation function as of the end of 1998? If the response is affirmative, please provide the basis for such belief, with a complete explanation and, if available, quantification of such differences.

AG 5-16 Referring to Baumann rebuttal testimony, page 21, lines 11-12, please provide the basis for the statement that all the risk associated with these contracts has been borne by WMECO shareholders, not retail customers. The response should explain what risks have been borne by WMECO shareholders if the only costs assigned to the sales are the directly variable costs of production.

AG 5-17 Referring to Baumann rebuttal testimony, page 23, lines 1-2, please provide the basis for the statement that the risk associated with such sales was borne by shareholders, not retail customers. The response should explain what risks have been borne by shareholders if the only costs assigned to the sales are the directly variable costs of production.

AG 5-18 Referring to Baumann rebuttal testimony, page 23, lines 1-2, please provide the basis for the statement that WMECO elected to reduce the amortization period. The response should explain when the amortization will be complete and the reduction, in years, from the previous amortization.

March 23, 2001